

## Message Text

UNCLASSIFIED

PAGE 01 EC BRU 07063 051533Z

46

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-10 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 L-03 TAR-01 /063 W

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R 051503Z AUG 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 9423

INFO ALL EC CAPITALS 989

UNCLAS EC BRUSSELS 7063

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJECT: EC STARCH PRODUCTION SUBSIDIES

REF: (A) EC BRUSSELS 06661 (B) EC A-146 OF 5/24/74

1. AS REPORTED IN REF. A, THE JULY 21-22 AGRICULTURAL COUNCIL AGREED ON THE LEVELS OF THE STARCH PRODUCTION SUBSIDIES. EC COUNCIL REGULATION NO. 1955/75 OF JULY 22, 1975 IMPLEMENTS THIS DECISION AND SETS STARCH PRODUCTION SUBSIDIES AS FOLLOWS:

-- FOR CORN USED FOR STARCH MANUFACTURE: 10 U.A./M.T. LESS ANY APPLICABLE ACCESSION COMPENSATORY AMOUNTS (ACA'S)

-- FOR WHEAT FOR THE MANUFACTURE OF STARCH: 16:30 U.A./M.T. LESS ANY APPLICABLE ACA'S

-- FOR BROKEN RICE FOR THE MANUFACTURE OF STARCH: 12.30 U.A./M.T. LESS ANY APPLICABLE ACA'S

-- FOR POTATO STARCH: 10 U.A./M.T. LESS ANY APPLICABLE ACA'S FOR CORN MULTIPLIED BY A COEFFICIENT OF 1.61, CALCULATED ON THE BASIS OF THE QUANTITY OF POTATOES DELIVERED TO STARCH

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 07063 051533Z

MANUFACTURERS, AND TAKING INTO ACCOUNT THEIR STARCH CONTENT

AT THE TIME OF DELIVERY TO THE FACTORY. THE PRICE TO BE PAID TO POTATO PRODUCERS AT THE DELICERED-TO-FACTORY STAGE FOR THE QUANTITY OF POTATOES REQUIRED TO MANUFACUTRE ONE METRIC TON OF POTATO STARCH, SHALL BE THE AMOUNT OF THE PRODUCTION SUBSIDY DESCRIBED ABOVE INCREASED BY AT LEAST 162.00 U.A.

-- FOR CORN, GROATS, AND MEAL FOR THE MANUFACTURE OF GLUCOSE BY DIRECT HYDROLYSIS: 10 U.A./M.T. OF CORN, GROATS AND MEAL LESS ANY APPLICABLE ACA'S FOR CORN MULTIPLIED BY A COEFFICIENT OF 1.23.

2. THE FOREGOING PRODUCTION SUBSIDIES MAY BE MODIFIED BY THE COUNCIL ACTING BY QUALIFIED MAJORITY ON A PROPOSAL FROM THE COMMISSION IF THE WORLD MARKET PRICES OF THE RAW MATERIAL GRAINS "APPRECIABLY AND PERSISTENTLY" VARY WITH REGARD TO THEIR RESPECTIVE THRESHOLD PRICES FOR THESE MATERIALS "APPRECIABLY AND PERSISTENTLY" EXCEED THEIR RESPECTIVE THRESHOLD PRICES LESS THEIR PRODUCTION REFUNDS, THE COMMISSION CAN APPLY AN EXPORT LEVY FOR THE AMOUNT OVER AND ABOVE THE ADJUSTED THRESHOLD PRICE.

3. THIS REGULATION BECOMES EFFECTIVE AUGUST 1, 1975 FOR ALL GRAINS AND FLOURS COVERED BY EC COUNCIL REGULATION NO. 120/67, THE BASIC GRAIN REGULATION, AND SEPTEMBER 1, 1975 FOR RICE AND ALL PRODUCTS COVERED BY EC COUNCIL REGULATION NO. 359/67, THE BASIC RICE REGULATION.

4. THIS REGULATION REPEALS REGULATION NO. 1132/74 (REF B), EFFECTIVE AUGUST 1 AND SEPTEMBER 1, 1975 FOR GRAINS AND RICE PRODUCTS, RESPECTIVELY. BUT THE SUBSIDIES GRANTED UNDER REGULATION NO. 1132/74 BEFORE THESE DATES REMAIN EFFECTIVE.

5. THE COMMISSION ALSO SUBMITTED PROPOSALS TO THE JULY 21-22 COUNCIL FOR TH RE-INTRODUCTION OF PRODUCER SUBSIDIES FOR CORN, GROATS AND MEAL AND BROKEN RICE USED IN THE BREWING INDUSTRY. THESE SUBSIDIES WERE ABOLISHED BY THE COUNCIL IN FEBRUARY 1975. THE PURPOSE IS TO ESTABLISH A BETTER BALANCE BETWEEN THE RELATIVE COST OF THESE PRODUCTS VIS-A-VIS CORN STARCH TO THE BREWING INDUSTRY. THE RE-INTRODUCTION OF THESE SUBSIDIES FOR THE BREWING INDUSTRY IS BEING PUSHED BY BELGIUM AND OPPOSED BY GERMANY; THE COUNCIL WILL CONSIDER THE MATTER AGAIN AFTER THE EUROPEAN

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 EC BRU 07063 051533Z

PARLIAMENT HAS GIVEN ITS OPINION IN SEPTEMBER.

6. A COPY OF COUNCIL REGULATION NO. 1955/75 IS BEING AIRPOUCHED.MORRIS

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 05 AUG 1975  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
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**Subject:** EC STARCH PRODUCTION SUBSIDIES  
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